

**STATE OF SOUTH CAROLINA**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**Docket No. 2021-124- C**

In the Matter of: )  
 )  
Application of Windstream Communications, LLC )  
for Designation as Eligible Telecommunications )  
Carrier to Receive Rural Digital Opportunity Fund )  
Auction (Auction 904) Support for Voice and )  
Broadband Services and Request for Expedited )  
Consideration )  
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**VERIFIED PRE-FILED DIRECT TESTIMONY OF JEFF SMALL ON BEHALF OF**  
**WINDSTREAM COMMUNICATIONS, LLC**

**MAY 5, 2021**

\_\_\_\_\_

1 **I. Introduction and Qualifications**

2 **Q. Please state your name, your position and your business address.**

3 **A.** My name is Jeff Small. I am employed by Windstream Communications, LLC  
4 (“Windstream” or “Applicant”), as its President – Kinetic Division. My business address  
5 is 4001 N. Rodney Parham Rd., Little Rock, AR 72212. I can be reached by telephone at  
6 (501) 748-5870.

7  
8 **Q. Have you previously provided testimony to the South Carolina Public Service  
9 Commission?**

10 **A.** Yes, on one previous occasion. I testified in Docket 2014-363-C, relating to the application  
11 of Talk America Services, LLC (“TAS”) seeking a certificate of public convenience and  
12 necessity to operate as a competitive local exchange carrier in Windstream service areas.  
13 TAS was an entity related to and spun off from Windstream in 2015.

14  
15 **Q. Briefly describe your professional background and your responsibilities, including at  
16 Windstream.**

17 **A.** I have a degree in accounting from the Arkansas State University, I joined Windstream in  
18 2008 and have held various accounting, finance, engineering and operational leadership  
19 roles during this time. For a brief period from 2015 to 2016, I joined Uniti Group, Inc., a  
20 Real Estate Investment Trust to assist with its start-up, which included the spinoff of certain  
21 network assets of Windstream Services, LLC. I am currently the President over all  
22 consumer, business and wholesale operations in the markets where Windstream’s affiliates  
23 have historically operated as an Incumbent Local Exchange Carrier (ILEC). I oversee all

1 aspects of Windstream’s relationship with customers in these markets, including field  
2 operations, sales, customer care, and marketing and product marketing. I also have  
3 responsibility for broadband engineering, broadband project management, and outside  
4 plant engineering groups in these markets. Before joining Windstream, I previously served  
5 as the controller for Ranger Boats, Inc., and was a senior auditor with Arthur Andersen  
6 LLP.

7  
8 **Q. On whose behalf are you providing testimony today?**

9 **A.** I provide this testimony on behalf of Windstream. As its President – Kinetic Division, I  
10 am authorized and competent to give this testimony on behalf of Windstream.

11  
12 **Q. What is the purpose of your testimony in this Proceeding?**

13 **A.** My testimony supports Windstream’s Application for Eligible Telecommunications  
14 Carrier (“ETC”) designation in South Carolina, filed on April 6, 2021 (the “Application”),  
15 which includes the following exhibits that are appended thereto: (i) the lists of census  
16 blocks where Windstream was assigned Rural Digital Opportunity Fund Phase I Auction  
17 (Auction 904) (“RDOF Auction”) support (Exhibit A, the “RDOF Census Blocks”); (ii) a  
18 map of these RDOF Census Blocks (Exhibit B); and (iii) my Affidavit of April 6, 2021  
19 (Exhibit C). I will review Windstream’s qualifications for designation as an ETC. In  
20 connection with that, I will describe the facilities-based and resold local exchange services  
21 that Windstream proposes to offer in the RDOF Census Blocks and its managerial,  
22 financial and technical competence to provide same.

1 **Q. What authority is Windstream seeking from the Commission?**

2 **A.** Windstream is currently already authorized and approved as a competitive local exchange  
3 carrier in South Carolina. Accordingly, what Windstream specifically seeks here is  
4 designation as an ETC in the RDOF Census Block Areas in order to provide service to  
5 unserved communities in South Carolina.

6 Windstream requests ETC designation within South Carolina as a result of the FCC's  
7 announcement that Windstream was a winning bidder in the FCC's Rural Digital  
8 Opportunity Fund RDOF Auction. Windstream is required to obtain an ETC designation  
9 for the RDOF Census Blocks for which it won support to deploy voice and broadband.  
10 Absent an FCC-approved extension, the FCC's deadline for Windstream to submit  
11 appropriate documentation of the ETC designation is June 7, 2021. Accordingly,  
12 Windstream has requested expedited consideration to the extent available.

13

14 **Q. Has Windstream been authorized to provide such service in any other jurisdiction?**

15 **A.** Yes. In addition to South Carolina, Windstream is currently authorized to provide such  
16 facilities-based and/or resold local exchange services in jurisdictions which include  
17 Arkansas, Georgia, Kentucky, North Carolina, and Pennsylvania. At the time of my  
18 testimony, Windstream is also in the process of obtaining or has obtained authority to  
19 provide these services in at least twelve (12) other states.

20

21 **Q. Please describe the corporate structure of Windstream.**

22 **A.** Windstream, through its subsidiaries and affiliates, is a leading provider of advanced  
23 network communications and technology solutions for consumers, small businesses,

1 enterprise organizations and carrier partners across the U.S., including South Carolina. In  
2 particular, applicant Windstream is a Delaware company converted from a corporation to  
3 limited liability company on January 1, 2015, with its place of business being 4001 North  
4 Rodney Parham Road, Little Rock, Arkansas 72212. Windstream is a wholly owned  
5 subsidiary of Windstream Holdings II, LLC and Windstream Services, LLC, both  
6 Delaware limited liability companies also headquartered at the same address as  
7 Windstream.

8  
9 **Q. Is Windstream legally authorized to do business in South Carolina?**

10 **A.** Yes. Windstream is authorized to do business in South Carolina. Copies of its registration  
11 as a company doing business in South Carolina are on file with the South Carolina  
12 Secretary of State's Office.

13  
14 **Q. Section 214(e)(2) of the Communications Act of 1934, as amended (the "Act"),**  
15 **authorizes the Commission to designate a company that meets the requirements of 47**  
16 **3 U.S.C. § 214(e)(1) as an ETC. Is it your understanding that Windstream meet all**  
17 **federal requirements for ETC designation?**

18 **A.** Yes. As demonstrated in the Application, verified by my Affidavit and incorporated herein  
19 by reference, and further discussed here in my testimony, Windstream meets all  
20 requirements for requested ETC designation. Designating Windstream as an ETC for the  
21 RDOF Census Blocks would allow Windstream, either directly or through its affiliates, to  
22 bring high-quality, innovative voice and broadband Internet access services to consumers

1 in unserved portions of South Carolina, advance the goals of universal service, and serve  
2 the public interest.

3  
4 **Q. Please describe Windstream’s managerial and technical qualifications.**

5 **A.** Windstream has the technical and financial ability to provide the proposed services.  
6 Windstream will be managed and operated by capable, experienced executives and  
7 employees who possess a combined 100 years of extensive managerial, financial, and  
8 technical experience in the telecommunications industry. In 2020, this management team  
9 deployed Gigabit capable fiber and cable solutions to over 500,000 locations across  
10 Windstream’s ILEC affiliate footprint. In addition, Windstream’s affiliates, managed by  
11 members of the same teams, have previously and continue to participate in state broadband  
12 expansion programs. For instance, Windstream affiliates have successfully participated in  
13 federal broadband programs such as the Connect America Fund (both phases) and the Rural  
14 Utilities Service program. Windstream is committed and has the proven technical  
15 capability to close the digital broadband divide in the United States and improve access to  
16 voice and broadband services in unserved, rural, and or high-cost areas.

17  
18 **Q. Please describe Windstream’s financial qualifications?**

19 **A.** Windstream is financially qualified to provide telecommunications services in the State of  
20 South Carolina. In 2020, the combined annual revenue of Windstream’s parent company  
21 was approximately \$5 billion with no near-term debt maturities. In addition, Windstream  
22 will receive RDOF support funds totaling \$253,740.00 over the next ten (10) years to  
23 support services for the RDOF Census Blocks.

1 **Q. Have you reviewed the relevant requirements for designation as an ETC and, if so, is**  
2 **it your belief that Windstream meets the applicable requirements for designation as**  
3 **an ETC?**

4 **A.** Yes. I have reviewed the applicable federal and state requirements for designation as an  
5 ETC in South Carolina. Based on my understanding of those requirements, Windstream  
6 meets the applicable requirements to be designated as an ETC in South Carolina.

7  
8 **Q. Will Windstream operate as a common carrier?**

9 **A.** Yes. For purposes of ETC designation, Windstream will offer a proven fiber-to-the-  
10 premise network architecture to deliver broadband and voice services. With respect to the  
11 voice service it plans to deploy in the RDOF Census Blocks, Windstream is a common  
12 carrier.

13  
14 **Q. Please describe the types of services that Windstream will offer in RDOF Census**  
15 **Blocks?**

16 **A.** Windstream intends to provide facilities-based and resold local exchange  
17 telecommunications services, as well as broadband internet services over its all-fiber voice  
18 telecommunications network. Windstream seeks authorization to offer such services in the  
19 RDOF Census Blocks, just as it offers such services in other areas of South Carolina.

20  
21 **Q. What facilities will Windstream use to provide the proposed services?**

22 **A.** To serve subscribers in RDOF funded areas, Windstream will utilize its proven Fiber-to-  
23 the-Premise (FttP) architecture to deliver Gigabit tier broadband and voice services to

1 connect subscribers to the Internet over an all fiber network. Windstream's voice traffic  
2 will transit the same highly redundant, all-fiber network and connect with Windstream's  
3 or its affiliates' wholly owned switching network, which currently supports nearly 2  
4 million voice lines across 18 states. Windstream's TDM switching network is comprised  
5 of over a thousand Class 5 switches and remotes, including PSTN tandem switches.  
6 Windstream's next-generation VoIP network is supported by call feature servers,  
7 gateways, and PSTN tandem switches. All voice switching and routing is managed by an  
8 internal SS7 network and PSTN interconnection with other carriers and is accomplished  
9 via TDM and SIP trunking. Outside of its ETC designated areas, Windstream may, when  
10 necessary, interconnect with the local exchange provider in its proposed territory to resell  
11 voice services.

12  
13 **Q. Will Windstream offer the services supported by federal universal support**  
14 **mechanisms within the RDOF Census Blocks?**

15 **A.** Yes. Windstream, either directly or through an affiliate, will offer voice services and  
16 broadband Internet access services supported by federal universal service support  
17 mechanisms within its RDOF Census Blocks.

18  
19 Windstream will provide voice grade access to the public switched telephone network  
20 through the provision of a competitive voice service that includes minutes of use for local  
21 service provided at no additional charge to end users and access to emergency services via  
22 911 or E911, wherever available from local government or public safety organizations.  
23 Toll limitation services will also be provided to qualifying low income consumers.

1 Windstream's broadband Internet access service will provide the capability to transmit data  
2 to, and receive data from, all or substantially all Internet endpoints, including any  
3 capabilities that are incidental to and enable the operation of the communications service  
4 in the RDOF Census Blocks.

5  
6 Windstream has committed that these services will be provided consistent with applicable  
7 high-cost universal service support rules in the RDOF Census Blocks. Windstream will  
8 also ensure that Lifeline services are offered in accordance with the FCC's rules in all  
9 RDOF Census Blocks.

10

11 **Q. Will Windstream offer its voice service as a standalone service?**

12 **A.** Yes. In the RDOF Census Blocks, Windstream will offer its voice service as a standalone  
13 service and at rates that are reasonably comparable to urban rates.

14

15 **Q. Will Windstream provide service throughout designated service areas, including the**  
16 **RDOF Census Blocks?**

17 **A.** Windstream commits to providing the supported services throughout the proposed ETC  
18 service area, which for the Application consists of the RDOF Census Blocks.

19

20 **Q. Will Windstream advertise the availability of its services and charges?**

21 **A.** Windstream will advertise the availability of and charges for its supported service offerings  
22 using media of general distribution and will undertake outreach initiatives to increase  
23 consumer awareness of its service offerings. Windstream will offer and advertise its voice

1 and broadband services through various marketing channels, including but not limited to  
2 direct mail, email, local and community outreach events, and targeted online electronic  
3 advertising. In addition, Windstream will publicize the availability of Lifeline service in a  
4 manner reasonably designed to reach those likely to qualify for the service.

5  
6 **Q. Will Windstream certify that it will use federal universal service support only for the**  
7 **provision, maintenance, and upgrading of facilities and services for which the**  
8 **universal service support is intended?**

9 **A.** Yes. Windstream certifies that, in accordance with 47 U.S.C. § 254(e) and 47 C.F.R. §  
10 54.7(a), it will use federal universal service support only for the provision, maintenance,  
11 and upgrading of facilities and services for which the universal service support is intended.

12  
13 **Q. Does Windstream have the ability to remain functional in emergency situations?**

14 **A.** Yes. Windstream voice and broadband network is designed to remain functional in  
15 emergency situations without an external power source, will remain functional using  
16 backup power, is able to reroute traffic around damaged facilities, and is capable of  
17 managing traffic spikes resulting from emergency situations as required. Windstream  
18 further monitors its networks with sophisticated equipment capable of detecting disruptions  
19 caused by emergency situations.

20 **Q. Please explain Windstream's request for a waiver of the requirement to submit a two-**  
21 **year plan.**

1 A. In light of the FCC’s waiver of a five-year plan, Windstream requests a waiver of the  
2 analogous requirement to submit a two-year plan and corresponding requirements for filing  
3 annual updates to the initial two-year plan.  
4

5 As discussed in the Application, the filing of a two-year service improvement plan under  
6 the Commission’s regulations mirrors the federal requirement, although for a shorter  
7 amount of time. In the case of the RDOF Auction, the FCC waived the requirement that  
8 winning bidders seeking ETC designation submit a five-year service improvement plan.  
9 While the FCC waiver is not controlling as to the South Carolina requirement, as discussed  
10 in the Application, it is my understanding that the Commission has favorably considered  
11 waivers of the state-required plan where the FCC has already waived the federal  
12 counterpart requirement.  
13

14 In further support of a state two-year plan waiver, Windstream submits that other required  
15 reporting, including its Form 481 and broadband deployment reports submitted to the  
16 Universal Service Administrative Company (“USAC”), will provide essentially the same  
17 information and data required in a two-year plan. In lieu of filing a two-year plan,  
18 Windstream will make available to the Commission and ORS upon request all reports it is  
19 required to file with the FCC in connection with the RDOF and the Census Blocks.  
20

21 Accordingly, in light of the FCC’s waiver and the availability of other reporting  
22 information, Windstream respectfully requests that the Commission waive the requirement  
23 to file a two-year service improvement plan.

1 **Q. Please explain Windstream’s request for a waiver of the requirement to serve as an**  
2 **ETC on a wire center basis.**

3 **A.** As discussed in the Application, the central issue is that the FCC expressly targeted and  
4 awarded RDOF Auction funding at the census block level and not at wire center-sized  
5 areas. Therefore, because the RDOF expressly requires bidders precisely to cover census  
6 blocks, if those areas do not align with wire center-sized areas, there is a potential conflict  
7 between the state and federal requirements. In the event of such conflicts, Windstream may  
8 not be able to use the awarded funds as directed, resulting in those census blocks (or  
9 portions of census blocks) awarded under RDOF auction remaining unserved. To prevent  
10 such an outcome, Windstream respectfully requests and submits that there is good cause  
11 for a waiver of this requirement.

12  
13 **Q. Does Windstream otherwise meet the requirements for ETC designation under the**  
14 **Commission’s Regulation 103-690.C?**

15 **A.** Yes. As discussed more fully in the Application, incorporated herein by reference,  
16 Windstream satisfies all other requirements under Commission Regulation 103-690.C.  
17 Windstream commits to providing service throughout its proposed designated service area  
18 to all customers making a reasonable request for service. For the RDOF Census Blocks,  
19 Windstream has further demonstrated its ability to remain functional in emergency  
20 situations; its ability to satisfy applicable consumer protection and service quality  
21 standards; that it will offer local service plans comparable to those offered by the  
22 incumbent LEC; that, to the extent required under law, it will provide equal access to other  
23 long distance carriers; it will offer RDOF supported services through its own facilities or a

1 combination of its own facilities or those of others; and that Windstream will advertise in  
2 media of general distribution the availability of such services, including Lifeline services.

3  
4 **Q. Please describe the public interest benefits associated with Windstream's proposed**  
5 **offering of telecommunications services in the RDOF Census Blocks.**

6 **A.** Windstream's designation as an ETC for the RDOF Census Blocks will allow it to build  
7 out services to unserved areas using federal funding, bringing the benefits of added voice  
8 and high-speed broadband services to these areas. Accordingly, it is in the public interest  
9 to designate Windstream as an ETC in the RDOF Census Blocks. Once the Commission  
10 grants Windstream's ETC application and the FCC approves Windstream for funding,  
11 Windstream will receive \$253,740.00 over a ten-year period to provide voice and  
12 broadband services to those residing and working in the RDOF Census Blocks.

13  
14 The availability of Windstream's RDOF supported voice and broadband services will have  
15 a positive effect on unserved areas in the RDOF Census Blocks. Windstream is committed  
16 to expanding access to these services that will enable consumers to access new  
17 opportunities of all kinds, including education, healthcare, business, civic engagement, and  
18 personal connection. New opportunities may include starting a business, taking online  
19 classes, or seeing friends and family, among many other possibilities. Expanded voice and  
20 broadband service will increase these opportunities for the people of South Carolina to be  
21 served by Windstream in its the RDOF Census Blocks.

22

1 Moreover, South Carolinians will particularly benefit from Windstream's designation as  
2 an ETC. Windstream is widely recognized as a premier provider of voice and broadband  
3 Internet offerings that relies on advanced systems, technologies, and infrastructure.  
4 Windstream provides voice and broadband Internet services to hundreds of thousands of  
5 residential customers in 18 states.

6  
7 South Carolina consumers will further benefit from Windstream's experience as a Lifeline  
8 service provider. Windstream and its affiliates have substantial experience in providing  
9 Lifeline services to low income consumers and communities. This will further facilitate  
10 Windstream's swift offering of needed services for qualifying low-income customers in  
11 the RDOF Census Blocks.

12  
13 **Q. To recap, does Windstream agree to abide by all rules, regulations, policies and**  
14 **orders of this Commission, and the laws of the State of South Carolina, in its provision**  
15 **of telecommunications service?**

16 **A.** Yes. Windstream agrees to abide by all applicable rules and regulations, including, but not  
17 limited to, all 911 requirements in conjunction with its provision of local exchange  
18 services. Windstream also agrees to abide by all rules and regulations applicable to  
19 designated ETC providers.

20  
21 **Q. Please summarize Windstream's requested relief in this proceeding.**

22 **A.** Windstream respectfully requests that the Commission issue an order waiving an  
23 evidentiary hearing in this proceeding and granting expedited review based upon the

1 information contained in the application in this docket and this sworn testimony. After  
2 expedited review, Windstream further requests that the Commission issue its order granting  
3 Windstream ETC designation in the RDOF Census Blocks, as set forth in the Application  
4 and in this testimony, with such designated ETC service areas being subject to automatic  
5 change consistent with possible future FCC determinations on census blocks eligible for  
6 RDOF support funds.

7  
8 Through the information provided in the Application and this testimony, Windstream  
9 satisfies the requirements for ETC designation in the designated RDOF Census Blocks,  
10 comprised of four (4) census block groups in twenty-seven (27) eligible census blocks  
11 located in Jasper and Spartanburg Counties identified in the Exhibits to the Application.  
12 Windstream possesses the qualifications, resources, and capital needed to deploy high-  
13 speed, low-latency broadband to awarded RDOF locations in South Carolina. Windstream  
14 can and will deliver on its RDOF commitments and obligations. Windstream's plans and  
15 commitment to provide broadband to unserved locations in the state is clearly in the public  
16 interest.

17  
18 In order to be eligible for the federal funding available to WC under the RDOF, the  
19 FCC requires that Windstream be designated as an ETC in the areas for which it seeks  
20 support not later than June 7, 2021. For the reasons stated above, expeditiously granting  
21 this application will serve the public interest by allowing Windstream to use available  
22 federal funding to bring robust voice and broadband service to certain unserved areas of  
23 South Carolina.

1 **Q. Does this conclude your testimony?**

2 **A.** Yes. Thank you for this opportunity to provide my sworn testimony in this important  
3 matter.